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AUTHOR Zandniapour, Lily
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ABSTRACT

Sectoral employment training programs attempt to provide disadvantaged people with good jobs that pay living wages and offer opportunities for advancement, using innovative approaches to employment training and interacting with industries to create systemic change in labor markets. The Sectoral Employment Development Learning Project (SEDLP) is a participatory learning assessment launched in April 1997, and expected to be completed in September 2002, intended to document and assess the practice and outcomes of six leading sectoral programs in urban areas across the United States. One component of the SEDLP is a longitudinal survey of 732 participants from these training programs. An initial baseline survey of these participants suggests that trainees are typically economically disadvantaged and face multiple barriers to employment. Some of the findings of that survey include the following: (1) 65 percent of program participants are women and 92 percent are members of minority ethnic or racial groups, many being immigrants with language barriers; (2) most clients are in their prime working years and average 34 years of age; (3) although at least one-third of the participants have participated in training before, previous training experiences have not translated into better and more stable jobs for them; (4) many participants have long but interrupted work histories; (5) 37 percent received food stamps or other food supplement programs; (6) 50 percent of program participants completed training; and (7) the programs placed 74 percent of the participants who were employed after the program, with hourly wages and hours per week work increasing by about one-third for workers who completed the programs and secured employment. (KC)

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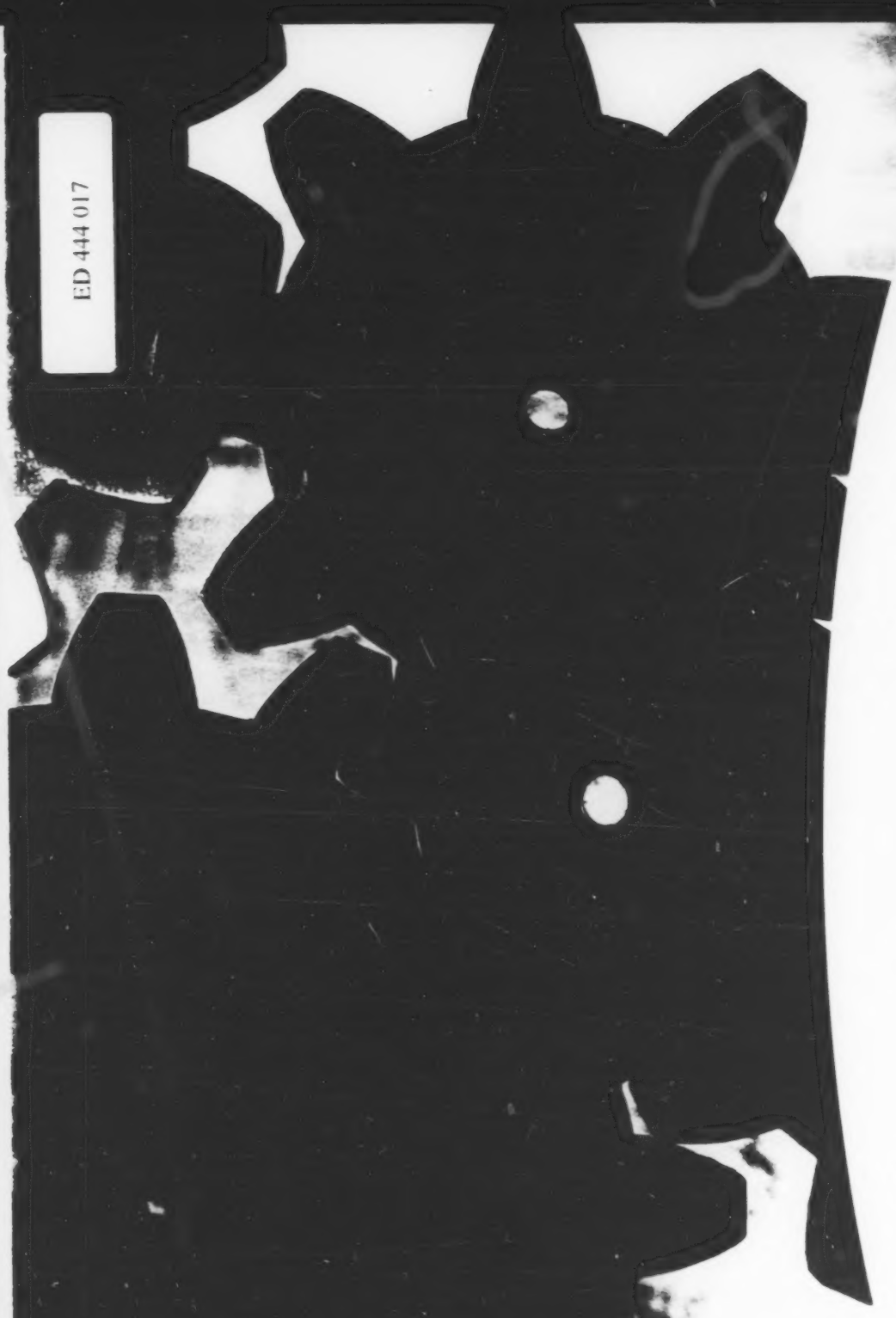

The Sectoral Employment Development Learning Project

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The Sectoral Employment
Development
Learning Project

SEDLP Research Brief No. 1:

Key Findings from the Baseline Survey of Participants

The Aspen Institute
Economic Opportunities Program
July 2000

By Lily Zandniapour with Kathy Ade

SEDLP Research Brief No. 1: Key Findings from the Baseline Survey of Participants

Sectoral employment training programs address one important challenge America faces, which is how to provide disadvantaged people with good jobs that pay living wages and offer opportunities for advancement. These programs use innovative approaches to employment training by offering skills training courses in a specifically targeted occupation or a set of occupations in an industry. They also intervene by becoming valued actors in the industry that employs that occupation. They seek to create systemic change within that occupation's labor market in a variety of ways, such as linking firms to new markets, providing technical assistance to firms, establishing skills standards for the industry, running model businesses, and using their industry contacts to create employment opportunities and job ladders for low-income individuals.

A number of sectoral programs have received nationwide recognition as pioneering programs and have sparked interest in the concept of sectoral employment and training initiatives. But little is known about the key characteristics and operational features of these programs or the effectiveness of their strategies over time.

The Sectoral Employment Development Learning Project (SEDLP), a participatory learning assessment launched in April 1997 and expected to be completed in September 2002, was designed to address this issue. With funding from the Ford, Charles Stewart Mott and Annie E. Casey foundations, the project's goal is to document and assess the practice and outcomes of six leading sectoral programs that operate in urban areas across the United States **(see box on next page)**.

PROGRAM	NUMBER OF RESPONDENTS
Asian Neighborhood Design (AND)	91 (12%)
Focus: HOPE (FH)	144 (20%)
Garment Industry Development Corporation (GIDC)	136 (19%)
Jane Addams Resource Corporation (JARC)	100 (14%)
Para-professional Healthcare Institute (PHI)	146 (20%)
Project QUEST (PQ)	115 (16%)
TOTAL	732 (100%)

Participating Programs

Asian Neighborhood Design, *San Francisco, Calif.*, is a community development corporation that provides training in cabinetry, carpentry and other construction trades. Founded in 1973, it runs a specialty furniture and wood products manufacturing company, called Specialty Mill Products, that provides a work-oriented training environment and transitional employment opportunities for its trainees. AND trainees are disadvantaged and hard-to-employ individuals who live in the Bay area. The average length of AND training is 15 weeks.

Paraprofessional Healthcare Institute, *Bronx, N.Y.*, is a sectoral employment advocacy organization that supports the training of low-income women of color in paraprofessional healthcare skills. It links them with Cooperative Home Care Associates (CHCA), an employee-owned agency founded in 1985 and designed to provide full-time employment with benefits for home health aides. PHI training is four to five weeks.

Garment Industry Development Corporation, *New York, N.Y.*, is a nonprofit institution, established in 1984 and supported through the collaboration of union, industry and government entities. GIDC provides training for employed and unemployed individuals in a range of occupations in the garment industry and provides technical assistance and marketing services to garment industry firms. GIDC trainees are primarily Chinese and Latina women. GIDC has a variety of full-time and part-time training programs that range from 10 days to 12 weeks.

Focus: HOPE, *Detroit, Mich.*, is a civil- and human-rights organization founded in 1968 in the aftermath of the 1967 Detroit riots. Focus: HOPE offers precision machining and metalworking training to inner-city youth and young adults. It also operates businesses that provide hands-on learning for students and produce parts and services for the automobile and related industries. Core training at Focus: HOPE is 26 weeks.

Jane Addams Resource Corporation, *Chicago, Ill.*, is a community development organization formed in 1984 to retain and grow local industry, to provide community residents with educational services, and to offer job training in the metalworking industry for both incumbent and unemployed workers. JARC provides assistance to small- and medium-size metalworking manufacturing businesses in modernization and human resource management. JARC training is six to eight weeks.

Project QUEST, *San Antonio, Texas*, is a nonprofit, established in 1992 and developed through a community organizing effort that engages employers, community colleges and others in coalitions to develop training projects that prepare low-income individuals for good jobs in a range of selected industries, including health care and business services. Project QUEST training takes from one to four semesters to complete.

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One SEDLP component is a longitudinal survey of 732 participants from these training programs[1]. This brief summarizes findings from the baseline survey of this longitudinal study. It paints a portrait of the participants of sectoral programs at the start or early part of the training and provides insights into the kinds of barriers and challenges that these marginalized populations face in gaining access to the mainstream economy and achieving self-sufficiency. More specifically, the purpose of the survey is to answer the following questions: "Who are the participants of these programs?" "What are their characteristics?" "What has been their experience in the labor market?" "What are the employment barriers of these participants?"

The second and third waves of this survey, which take place 12 months and 24 months after the initial interview, will examine the longer-term impact of the training on the lives of these participants. Follow-up surveys will document the experience of participants with job placement, job retention, access to career ladders, income and job quality as a result of enrolling in these programs. The study results are expected to be useful for practitioners in designing their training programs and for policy makers who formulate our workforce development policy.

The baseline profiles respondents as a whole and on a program-by-program basis, which allows the reader to see similarities and distinctions among trainees across programs. Overall, the baseline survey suggests that sectoral program trainees are typically economically disadvantaged and face multiple barriers to employment.[2]

The baseline survey suggests that sectoral program trainees are typically economically disadvantaged and face multiple barriers to employment.

Profile of Survey Participants

The majority of program participants are women (65 percent) and members of minority ethnic/racial groups (92 percent) **(Figures 1 and 2)**. A significant proportion of trainees are immigrants. Thirty-eight percent of sample members are foreign-born. Even though many have resided in the United States for many years, they still have language barriers that limit their opportunities in the labor market. Language is a particularly important barrier for the 30 percent of trainees who were interviewed in their native language. Most clients are at prime working age and average 34 years old **(Figure 3)**.

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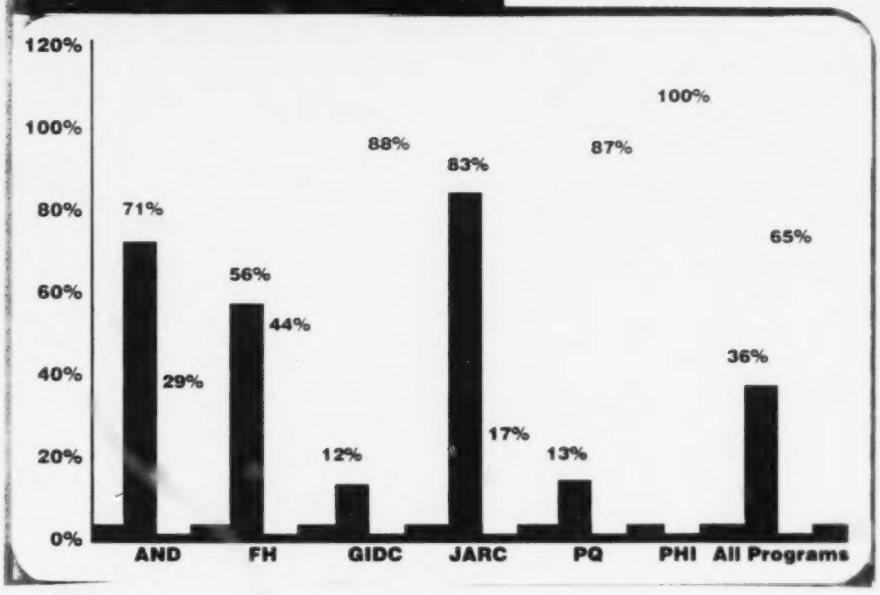
[1] The participant survey has a reflexive control design, and an exhaustive sample selection approach was used to draw the sample for this study. Data was collected from Feb. 18, 1998 through March 8, 1999 via in-depth telephone interviews and the response rate was 81.4 percent.

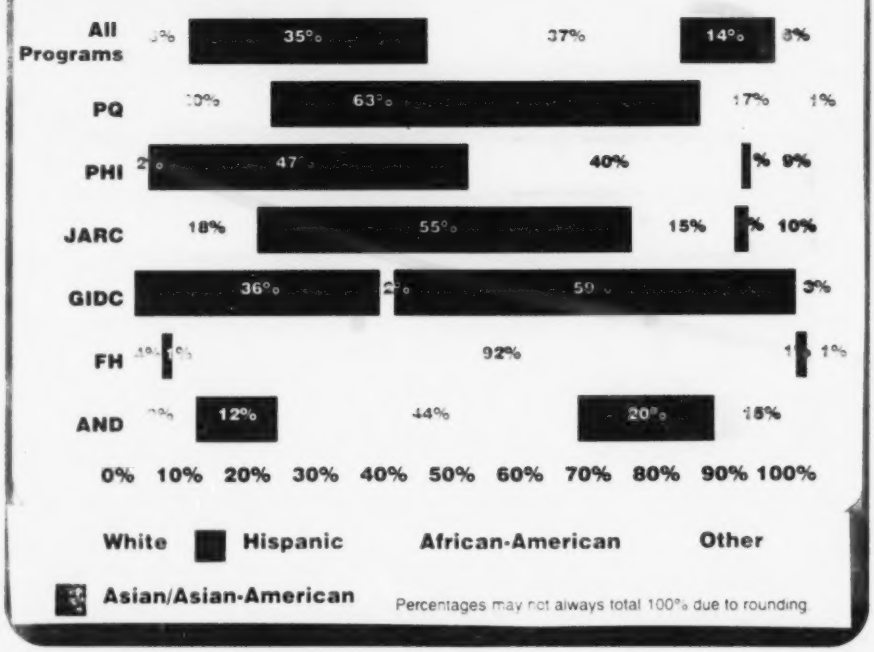
[2] A number of more objectively quantifiable barriers of participants are discussed in the full SEDLP Research Report. The report also draws upon participants' responses to open-ended questions to discuss some of the less readily quantifiable barriers such as lack of personal industry networks, discrimination, age, family problems, transporation and housing problems, past prison record and others.

Figure 1: GENDER OF PARTICIPANTS



Percentages may not always total 100% due to rounding.

Figure 2: RACE/ETHNICITY OF PARTICIPANTS



Percentages may not always total 100% due to rounding.

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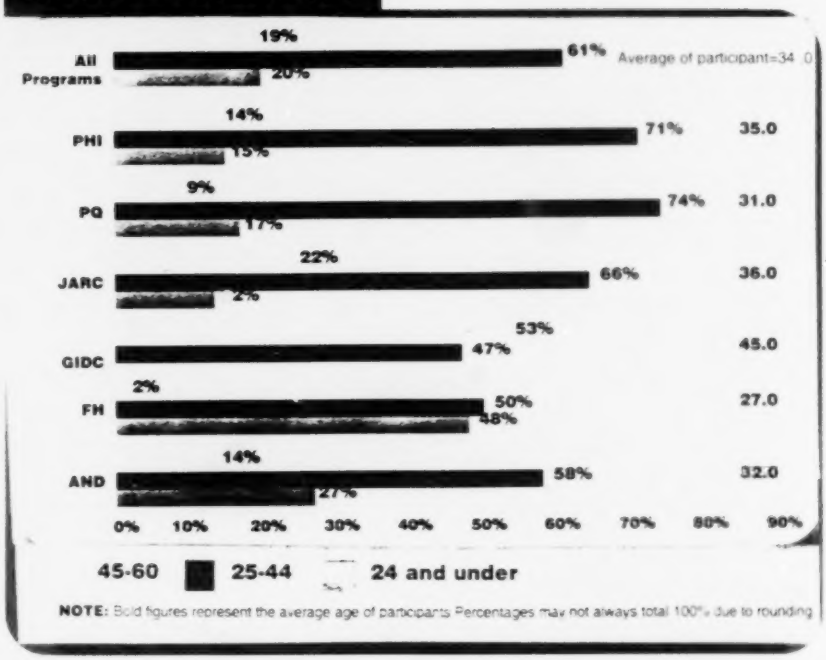
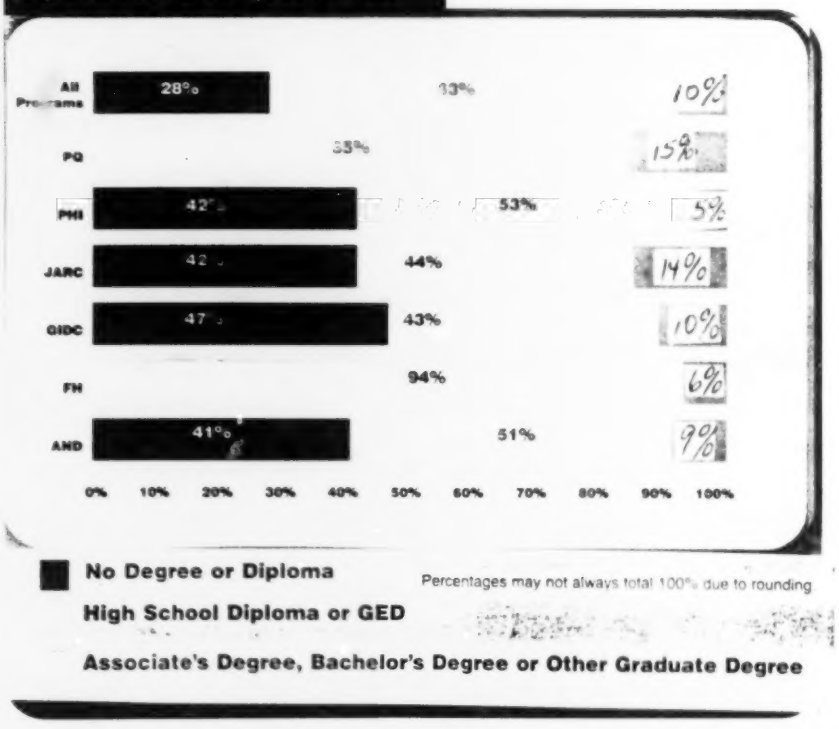
Figure 3: **AGE OF PARTICIPANTS**



Limited education is a barrier many clients face.

Figure 4: **EDUCATIONAL ATTAINMENT**



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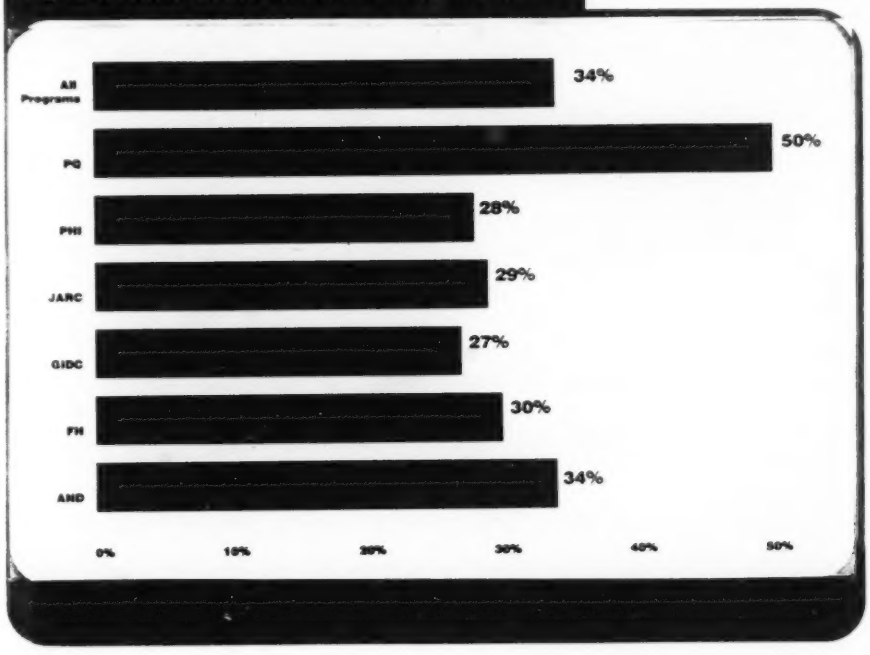
Limited education is another barrier that many respondents face. Twenty-eight percent lack a high school diploma or a General Education Degree (GED) **(Figure 4)**. On average, participants have completed 12 years of schooling. Sixty-two percent are single, 34 percent are single parents and 65 percent live with children. Participants, on average, live in households with 3.5 members and have 1.3 children.

Training History

Although many respondents are not new to training, their past training experience has not translated into better and more stable jobs that pay a living wage and provide benefits and opportunities for advancement. Findings on the training history of respondents show that:

- One out of three survey participants (34 percent) had been through a training program in the past **(Figure 5)**.
- 81% with a history of training reported that they completed their most recent training, which averaged 24 weeks.[1]

Figure 5: **PARTICIPANTS WITH TRAINING HISTORY**



[1] The median length of their most recent training was 12 weeks.

- Only 41% of those who had attended prior training courses reported that their training led to a job and 55% reported using that training on a job.
- Only 24% with a history of training said they received assistance from their training program that helped them keep their jobs.

In response to an open-ended question about what participants disliked in their most recent job training program, many stated that the program promised them a job at the end of training but did not deliver. Respondents also mentioned lack of training in life skills and job-search skills; lack of personal counseling, internships, job-site visits, financial and childcare assistance during training; and lack of certification and organization at the training facility.

Many survey participants not only have worked in the past, but they have long work histories.

Others said the training was not up-to-date or in tune with employers' needs or that it was in a field with no demand and that the program did not provide them with industry contacts or leads. Yet others did not find the training challenging enough, did not like the job they were being trained for or did not like the instructor. Some did not find the length of the training appropriate, the location of training was not convenient for them or thought the training was not in-depth.

Work History

Almost all survey participants have worked in the past (96 percent). **Many have long work histories, although their work experience has been interrupted and they have had long periods of unemployment.**

- On average, these participants have 12.3 years of work experience.
- 26% were unemployed the whole year prior to the survey and had zero earnings.
- 77% of respondents were unemployed for some time during the past year. On average these respondents were unemployed for 7.9 months **(Figure 6)**.[4]
- More than half of the respondents (52 percent) were unemployed six months or longer in the past year.
- During the 12 months prior to the first interviews, 74% of all participants were employed.[5] These participants, on average, worked 35.5 hours per week and 28.9 weeks per year at their main job, so they were generally working full-time and part-year at their main jobs.[6]

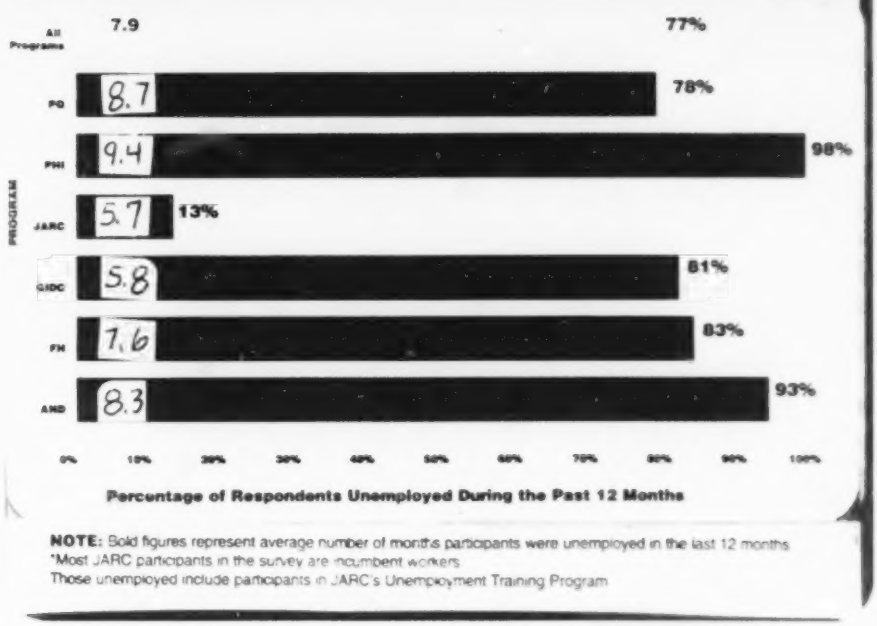
Limited recent work experience is, therefore, another barrier many participants face. Thirty-nine percent of all who were working during the past year had more than one job in this period. Those working during the past year (539 respondents) held a total of 827

[4] Once we exclude incumbent workers of JARC and GIDC, who make up 23 percent of the sample (169 participants), 89 percent of participants reported an unemployment spell during the 12 months before the wave 1 interviews. On average, these participants were out of work for 8.3 months during the year.

[5] Sixty-seven percent of participants, excluding incumbent workers, were working in the past year.

[6] Excluding incumbent workers from the sample, remaining participants who were employed in the past year were working 32.3 hours per week and 23.3 weeks per year at their main jobs.

Figure 6: **PERCENT UNEMPLOYED AT SOME POINT DURING THE PAST 12 MONTHS**



NOTE: Solid figures represent average number of months participants were unemployed in the last 12 months.
*Most JARC participants in the survey are incumbent workers.
Those unemployed include participants in JARC's Unemployment Training Program.

jobs during this period. On average, these respondents held 1.5 jobs. **The work pattern of respondents who held more than one job during the past year shows that many respondents were job-hopping throughout this period.**

- 67% of multiple jobholders were moving from one job to another during the year. Fifty-six percent were only job-hopping, 11% were both job-hopping and job-patching, and 33% were only job-patching.[1]
- **63% of jobs held in the past year were lost during that time period.** In 21% of cases, jobs were lost because the participant was laid off or the plant was closed; in 18%, job separation occurred because the respondent returned to school; and in 16%, the job was temporary.

The baseline report documents the work history of participants up to three years before the baseline survey. Findings show these work patterns have been fairly consistent over time.

The survey also asked questions about the quality of the jobs respondents held in the past. In discussing their main jobs in 1995, respondents expressed dissatisfaction with wages (50 percent), benefits (52 percent) and opportunities for job advancement (55 percent).

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[1] Job-patching refers to holding more than one job at a time and patching together earnings from multiple sources to make ends meet.

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Earnings, Income and Other Household Financial Characteristics

Respondents who worked during the past 12 months reported low earnings. The average and median annual personal earnings of respondents were $12,295 (**Figure 7**) and $8,580, respectively. Once incumbent workers are excluded from the sample, the average and median annual earnings of participants drop to $7,895 and $5,785, respectively. On average, respondents earned $8.64 per hour at their jobs. Their median personal earnings per hour was $7.50.

There were significant variations in how much participants of different programs, and sometimes subgroups of participants in one program, earned. In addition, findings on earnings suggest that participants with more than one job were roughly earning the same wage at their different jobs. On average, respondents earned $318 per week at their main jobs and their median weekly earnings were $263. Obviously, respondents who reported no earnings in the past year relied on other sources of income to make ends meet. However, those who were working could not rely on their income from their jobs alone, to meet their basic needs. Even when the earnings of their spouses were factored in, the combined earning power of these primary household members did not allow many of these participants to live above poverty. **A significant proportion of the participants in the sectoral programs is in the ranks of working poor.**

Respondents reported personal income from sources other than jobs. These include government transfers, as well as income from alimony, rent, unemployment insurance, Earned Income Tax Credit (EITC), Social Security and other sources.* Food stamps were the most widely used other source of personal income for participants.

- 37% of participants were on food stamps; Women, Infants, Children (WIC) or other food supplement programs.
- 21% were on Aid to Families with Dependent Children (AFDC) or Temporary Assistance for Needy Families (TANF) (these respondents reported receiving AFDC or TANF for an average of 5.4 years over their lifetime).
- 14% were receiving housing assistance.
- 5% were receiving General Assistance.

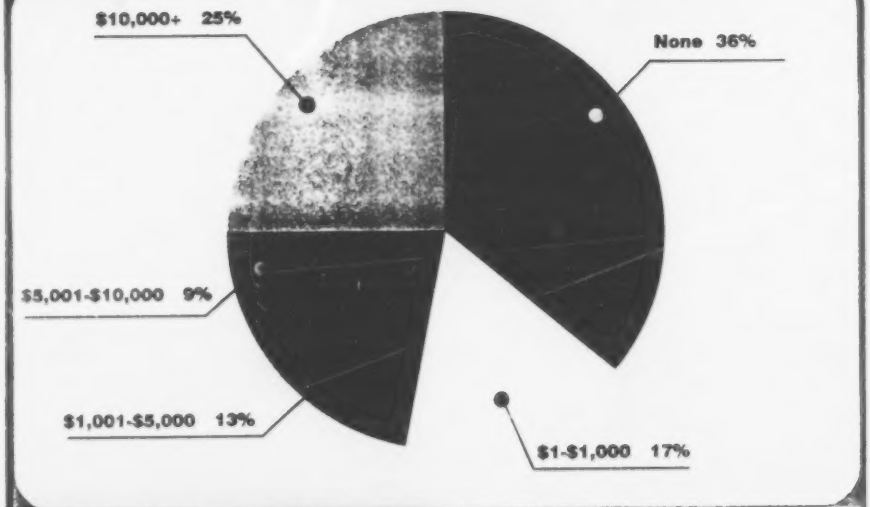
Fifty-nine percent of survey participants reported all components of their household incomes. Others were either unable or unwilling to account for the amount of income their household was receiving from different sources in the past year. As a result of missing data, it is not possible to draw major conclusions about the participants' overall household financial characteristics. Those who did report all components of their household income reported an average of $27,586 in annual income. Their

* It is interesting to note that only 10 percent of survey participants reported having received income from the Earned Income Tax Credit in the past year even though 74 percent of participants were working in that time period and many had low levels of earnings.

Figure 7: **AVERAGE ANNUAL PERSONAL EARNINGS OF EMPLOYED WORKERS DURING THE YEAR BEFORE START OF TRAINING**

NOTE: Bold figures represent average hourly earnings of participants
Annual Personal Earnings for GIDC and JARC participants are broken down by their incumbent and non-incumbent groups

Figure 8: **HOUSEHOLD ASSETS AT THE TIME OF BASELINE INTERVIEWS**



Average Household Assets=$23,706
Median Household Assets=$639

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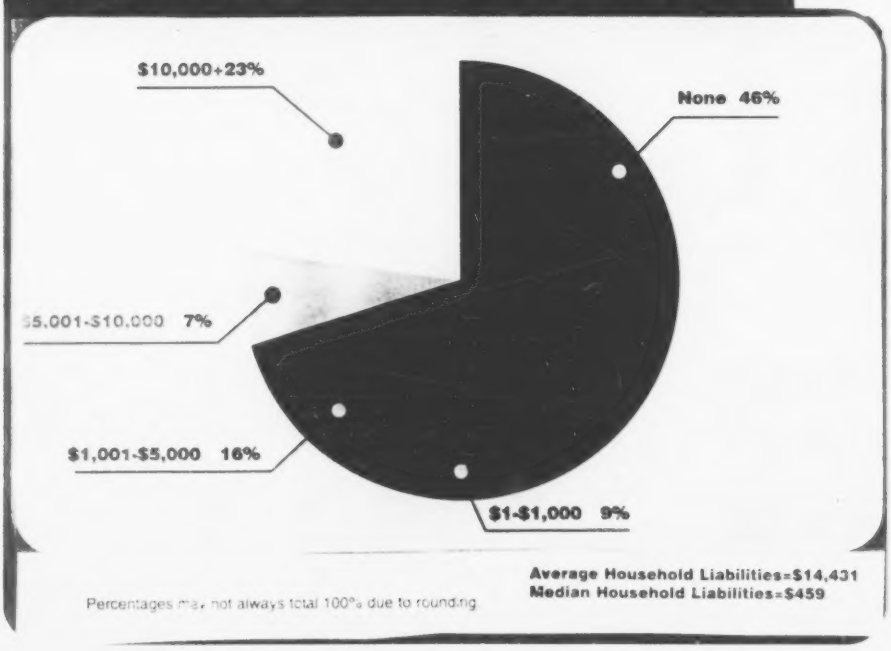
median household income, however, was $19,142 and there were significant differences in the income level of participants across programs. Among those who reported all components of their household income:

- 40% were living below the U.S. Census Bureau's poverty threshold.*
- 58% had incomes below 150 percent of the U.S. Census Bureau's poverty threshold.

Sixty-eight percent of respondents reported all components of their household assets and 85 percent reported all their liabilities. Data on assets and debts show that these respondents have low levels of assets and not much debt. Those who had higher levels of assets and debts were mainly homeowners (29 percent of participants), who reported the value of their houses and had mortgages on their homes.

- The average and median level of assets of respondents (including the value of their homes) were $23,706 and $639, respectively **(Figure 8).**
- The average and median level of liabilities of respondents (including the mortgage on their homes) were $14,431 and $459, respectively **(Figure 9).**

Figure 9: **HOUSEHOLD DEBTS AT THE TIME OF BASELINE INTERVIEWS**



* The study uses the U.S. Census Bureau's 1997 poverty thresholds for determining the poverty status of respondents who completed the wave 1 interview in 1998, and 1998 poverty thresholds for the poverty status of respondents who were interviewed in 1999.

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Immediate Training Outcomes

Sectoral training programs aim to leverage opportunities in the labor market to move their disadvantaged clients out of poverty by increasing earnings and developing career pathways. The programs' immediate training outcomes show that participants are more likely to be employed and have access to benefits such as health insurance after training than at the time of the baseline interviews or prior to training. Other indicators, such as hourly wage and hours worked per week, also show some improvement immediately after training.

Seventy-two percent of respondents completed training according to the anticipated schedule.[1] Of those:

- 84% were employed immediately after training.[2]
- 68% of participants who were working after training ended had new jobs.
- 61% of employed participants were placed in jobs with the assistance of the program.
- 65% of trainees who are employed and 84% of those employed at a new job after training have access to health insurance through employment versus 50% who had access to medical insurance at their main jobs in the 12 months before the baseline interviews.

Due to the diversity across programs and respondents, immediate training outcomes are better assessed on a program-by-program basis, as shown in the following statistics. Note that statistics about "participants" refer to all individuals enrolled in the program, whether or not they completed training. In addition, information on wages, hours of work, and access to health insurance of participants with new jobs are compared with the main jobs of participants who were employed during the year before the start of training.

Project QUEST

- 50% of program participants completed training.[3]
- 74% of participants who were employed after training were placed by the program.[4]
- Before training, participants who were employed during the past year earned $6.74 per hour at their main jobs compared to $9.66 for participants with new jobs after training.
- Clients now work 39 hours per week at their new jobs compared to 24 hours per week at their main jobs before training.
- Only 25% of clients had access to medical insurance at their main job before

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[1] Data on training completion and job placement were collected from programs 60 to 90 days after the scheduled training end date.

[2] Overall, 64 percent of trainees (including those who did not complete training) were employed immediately after training versus 40 percent who were employed at the time of baseline interviews.

[3] Since training at Project QUEST is relatively long, it is not unusual for some students to put training on hold at some point to attend to other matters and come back to it at a later date. This means that for some, it takes longer to complete training than anticipated. Updated data sent by the program showed that 27 percent of program participants (31 respondents) who had not completed training by June 1999, had completed training by April 2000 and most were in job placement.

[4] Thirty-four percent of Project QUEST participants (39 respondents) were employed at the time the Post-Training/Placement forms were filled out. All of these participants had new jobs.

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training, while 85% have access to medical insurance through employment after training.

Asian Neighborhood Design

- 65% of program participants completed training.
- 59% of participants were employed after training.
- 79% of respondents who were employed after training were placed by the program.
- Prior to training, participants who worked in the previous year earned $8.52 per hour at their main jobs compared to $10.05 after training for participants with new jobs.
- Clients now work 40 hours per week at their new jobs compared to 32 hours per week at their main jobs prior to training.
- Only 36% of clients who were employed in the past year had access to medical insurance at their main job before training, while 67% of participants with new jobs have access to medical insurance through employment after training.

Paraprofessional Healthcare Institute

- 77% of program participants completed training.
- 75% of participants were employed after training. All were placed by the program and worked at Cooperative Home Care Associates (CHCA).
- The majority of PHI clients were not working in the 12 months before the start of training (only 44 percent were employed). Those employed were working very few hours. Participants were mainly receiving public assistance.
- At their current jobs, all clients earn $6.25 per hour, and work at least 28 hours per week.
- All employed workers have access to health insurance through their jobs.

Focus: HOPE

- 60% of program participants completed training.
- 63% of participants were working after training and 97% of these respondents were working at new jobs.
- After training, clients earned $9.68 per hour at their new jobs. Participants who were employed during the year prior to training reported an hourly wage of $8.45.
- Prior to training, clients worked 34 hours per week compared to 38 hours per week after training.
- A greater percentage of jobs provided access to health insurance (84 percent) after training than before (36 percent).

Garment Industry Development Corporation

- 86% of program participants completed training.

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- Overall, 60% of GIDC participants held jobs immediately after training, 39% of these were new jobs.
- Respondents working at new jobs after training were earning an average of $8.44 per hour and working an average of 34 hours per week.
- Super Sewers trainees[1] who worked prior to training reported an average hourly wage of $7.67 at their main jobs compared to $8.39 after training.
- Super Sewer trainees with new jobs worked fewer hours (32 hours per week) after training compared to 36 hours per week at their main jobs before training.
- The percentage of jobs providing healthcare benefits did not change significantly (80 percent before training and 81 percent after training).

Jane Addams Resource Corporation

- 94% of program participants completed training.
- The majority of JARC respondents were incumbent workers (90 percent). Only 7% of participants (all in the Unemployment Training Program) were unemployed at the time of the wave 1 interviews.

At the time of the survey, JARC worked primarily with incumbent workers, trying to provide them with the skills they need to advance in their careers over time. Given this situation, an immediate post training assessment of participants' employment situations naturally finds that little has changed. A longer time period must pass in order to evaluate the impact of training on the jobs and careers of incumbent workers.

Indeed, for all SEDLP programs it will be interesting to see how participants fare over time in their respective industries. The second and third waves of the SEDLP survey will provide the opportunity to examine the effects of training on the earnings and career paths of these sectoral trainees.

[1] The Super Sewers program works exclusively with unemployed garment workers. GIDC's other training programs are designed to address the needs of incumbent workers.

This Research Brief summarizes findings from the SEDLP Research Report: Methodology and Findings from the Baseline Survey of Participants, which will be available in August 2000. Copies of SEDLP publications are available through our Web site, as well as in hard copy format. Other forthcoming SEDLP and related publications include:

- **The Sectoral Studies Series: In-depth case studies of each of the six SEDLP participant programs**
- **SEDLP Research Report: Methodology and Findings from the Baseline Survey of Participants**
- **SEDLP Research Brief No. 2: One-Year Follow-Up of SEDLP Participants**
- **Jobs and the Urban Poor: Privately Initiated Sectoral Strategies**

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Economic Opportunities Program
The Aspen Institute
One Dupont Circle, NW, Suite 700
Washington, D.C. 20036
(202) 736-1071
e-mail: sedlp@aspeninstitute.org
www.aspeninstitute.org/eop

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